

Fund Information

Fund Name

Public Singapore Equity Fund (PSGEF)

Fund Category

Equity

Fund Investment Objective

To achieve capital growth over the medium to long-term period by investing in a portfolio of investments primarily in the Singapore market.

Fund Performance Benchmark

The benchmark of the Fund is the MSCI Singapore Index.

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Fund Distribution Policy

Incidental

Revision of Transfer Charges and Switching Fees with effect from 1 January 2018

With effect from 1 January 2018, transfer charges and switching fees for switching transactions made after 90 days will be revised as follows:

- i) Administration fee of up to RM50 will be charged for each transfer transaction.
- ii) Switching fee of up to RM50 will be imposed for switching transactions out of the fund.

Breakdown of Unitholdings of PSGEF as at 30 September 2017

Size of holdings	No. of unitholders	% of unitholders	No. of units held (million)
5,000 and below	1,533	9.37	6
5,001 to 10,000	1,861	11.38	15
10,001 to 50,000	8,259	50.49	224
50,001 to 500,000	4,545	27.79	549
500,001 and above	158	0.97	161
Total	16,356	100.00	955

Note: Excluding Manager's Stock.

Fund Performance

For the Financial Year Ended 30 September 2017

Average Total Return for the Following Years Ended 30 September 2017

	Average Total Return of PSGEF (%)
1 Year	13.38
3 Years	8.75
5 Years	7.70

Annual Total Return for the Financial Years Ended 30 September

Year	2017	2016	2015	2014	2013
PSGEF (%)	13.38	4.75	6.30	2.00	7.60

The calculation of the above returns is based on computation methods of Lipper.

Notes:

- Total return** of the Fund is derived by this formulae:

$$\left(\frac{\text{End of Period FY}_{\text{Current Year}} \text{ NAV per unit}}{\text{End of Period FY}_{\text{Previous Year}} \text{ NAV per unit}} \right) - 1$$

(Adjusted for unit split and distribution paid out for the period)

The above total return of the Fund was sourced from Lipper.

- Average total return is derived by this formulae:

$$\frac{\text{Total Return}}{\text{Number of Years Under Review}}$$

Other Performance Data for the Past Three Financial Years Ended 30 September

	2017	2016	2015
Unit Prices (MYR)*			
Highest NAV per unit for the year	0.3248	0.2925	0.3062
Lowest NAV per unit for the year	0.2656	0.2452	0.2587
Net Asset Value (NAV) and Units in Circulation (UIC) as at the End of the Year			
Total NAV (MYR'000)	282,391	223,162	218,833
UIC (in '000)	955,243	814,425	800,042
NAV per unit (MYR)	0.2956	0.2740	0.2735
Total Return for the Year (%)	13.38	4.75	6.30
Capital growth (%)	12.10	3.16	4.66
Income (%)	1.14	1.54	1.57
Management Expense Ratio (%)	1.71	1.72	1.72
Portfolio Turnover Ratio (time)	0.53	0.52	0.25

* All prices quoted are ex-distribution.

Notes: Management Expense Ratio is calculated by taking the total management expenses expressed as an annual percentage of the Fund's average net asset value.

Portfolio Turnover Ratio is calculated by taking the average of the total acquisitions and disposals of the investments in the Fund for the year over the average net asset value of the Fund calculated on a daily basis.

Fund Performance

For the Financial Year Ended 30 September 2017

Distribution and Unit Split

Financial year	2017	2016	2015
Date of distribution	29.9.17	30.9.16	30.9.15
Distribution per unit			
Gross (sen)	1.50	1.25	1.25
Net (sen)	1.50	1.25	1.25
Unit split	-	-	-

Impact on NAV Arising from Distribution (Final) for the Financial Years

	2017 Sen per unit	2016 Sen per unit	2015 Sen per unit
Net asset value before distribution	31.06	28.65	28.60
Less: Net distribution per unit	(1.50)	(1.25)	(1.25)
Net asset value after distribution	29.56	27.40	27.35

Past performance is not necessarily indicative of future performance and unit prices and investment returns may go down, as well as up.

Asset Allocation for the Past Three Financial Years

	As at 30 September (Per Cent of Net Asset Value)		
	2017 %	2016 %	2015 %
EQUITY SECURITIES			
Quoted			
Outside Malaysia			
Singapore			
Communications	9.9	12.0	14.9
Consumer, Cyclical	11.1	7.0	6.1
Consumer, Non-cyclical	8.2	9.2	9.7
Diversified	8.6	5.1	14.7
Financial	41.0	43.5	33.1
Industrial	4.0	2.1	4.9
	82.8	78.9	83.4
Taiwan			
Industrial	-	-	0.2
Technology	-	-	0.4
	-	-	0.6
United States			
Communications	1.9	1.0	-
TOTAL QUOTED EQUITY SECURITIES	84.7	79.9	84.0

Fund Performance

For the Financial Year Ended 30 September 2017

Asset Allocation for the Past Three Financial Years (cont'd)

	As at 30 September (Per Cent of Net Asset Value)		
	2017 %	2016 %	2015 %
COLLECTIVE INVESTMENT FUNDS			
Quoted			
Outside Malaysia			
Singapore			
Financial	13.2	12.3	1.7
TOTAL QUOTED COLLECTIVE INVESTMENT FUNDS	13.2	12.3	1.7
DEPOSITS WITH FINANCIAL INSTITUTIONS	4.4	3.8	6.6
OTHER ASSETS & LIABILITIES	-2.3	4.0	7.7

Statement Of Distribution Of Returns

For the Financial Year Ended 30 September 2017

	Sen Per Unit
Gross Distribution	1.5000
Net Distribution	1.5000
Total Returns	3.6600

Effects of Distribution on NAV per unit before and after Distribution:

	Before Distribution	After Distribution
NAV per unit (MYR)	0.3106	0.2956

Manager's Report

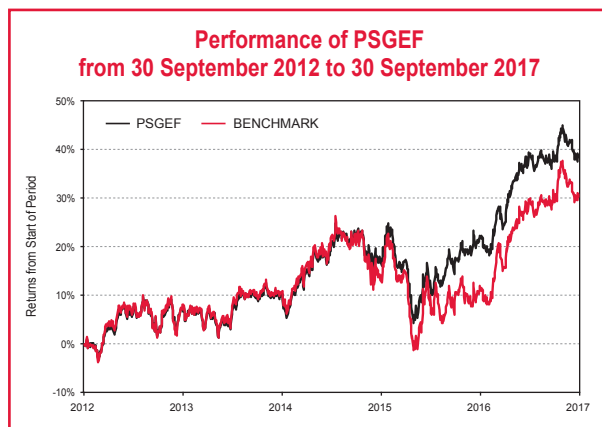
Overview

This Annual Report covers the financial year from 1 October 2016 to 30 September 2017.

Public Singapore Equity Fund (PSGEF or the Fund) aims to achieve capital growth over the medium to long-term period by investing in a portfolio of investments primarily in the Singapore market.

For the financial year under review, the Fund registered a return of +13.38% as compared to its Benchmark's return of +17.02%. The Fund's equity portfolio registered a return of +16.92% while its money market portfolio registered a return of +3.05% during the financial year under review. A detailed performance attribution analysis is provided in the sections below.

For the five financial years ended 30 September 2017, the Fund registered a return of +38.55% and outperformed the Benchmark's return of +30.43% over the same period. Consequently, it is the opinion of the Manager that the Fund has met its objective to achieve capital growth over the said period.



Prior to 30 April 2016, the Fund's Benchmark was the Straits Times Index (FSSTI).

Effective from 30 April 2016, the Fund's Benchmark has been replaced with the MSCI Singapore Index.

Income Distribution and Impact on NAV Arising from Distribution

The gross distribution of 1.50 sen per unit (net distribution of 1.50 sen per unit) for the financial year ended 30 September 2017 had the effect of reducing the Net Asset Value (NAV) of the Fund after distribution. As a result, the NAV per unit of the Fund was reduced to RM0.2956 from RM0.3106 after distribution.

Manager's Report

Effect of Distribution Reinvestment on Portfolio Exposures

	30-Sep-17	
	Before Distribution Reinvestment*	After Distribution Reinvestment*
Equities & Related Securities	97.9%	93.1%
Money Market	2.1%	6.9%

* Assumes full reinvestment.

Change in Portfolio Exposures from 30-Sep-16 to 30-Sep-17

	30-Sep-16	30-Sep-17	Change	Average Exposure
Equities & Related Securities	88.2%	93.1%	+4.9%	89.92%
Money Market	11.8%	6.9%	-4.9%	10.08%

Returns Breakdown by Asset Class

	Returns On Investments	Market / Benchmark Returns	Benchmark Index Used	Average Exposure	Attributed Returns
Equities & Related Securities	16.92%	17.02%	MXSG	89.92%	15.22%
Money Market	3.05%	2.98%	Overnight Rate	10.08%	0.31%
less: Expenses					-2.15%
Total Net Return for the Year					13.38%

MXSG = MSCI Singapore Index

Overnight Rate = Bank Negara Weighted Average Overnight Interbank Rate

Equity Portfolio Review

For the financial year under review, the Fund's equity portfolio registered a return of +16.92% as compared to the equity Benchmark's return of +17.02%. The Fund's equity portfolio performed largely in line with the equity Benchmark during the financial year under review as the positive performance of its holdings in the Financial and Consumer, Cyclical sectors mitigated the performance of its holdings in Consumer, Non-cyclical stocks which lagged the broader market.

Manager's Report

The Fund commenced the financial year under review with an equity exposure of 88.2% and its equity exposure was gradually increased to above 90% in mid-March 2017 to capitalise on investment opportunities in the Singapore market. The Fund maintained a relatively high equity weight for the rest of the review period and ended the financial year under review with an equity exposure of 93.1%. Based on an average equity exposure of 89.92%, the equity portfolio is deemed to have registered a return of +15.22% to the Fund as a whole for the financial year under review. A full review of the performance of the equity markets is tabled in the following section.

Sector Allocation

In terms of sector allocation within the equity portfolio, the top 5 sectors accounted for 92.0% of the NAV of the Fund and 94.0% of the Fund's equity portfolio. The weightings of the top 5 sectors in Singapore (unless otherwise indicated) are in the following order: Financial (54.2%), Consumer, Cyclical (11.1%), Communications (9.9%), Diversified (8.6%) and Consumer, Non-cyclical (8.2%).

Money Market Portfolio Review

During the financial year under review, the Fund's money market portfolio, which was invested primarily in deposits, yielded a return of +3.05%. In comparison, the Bank Negara Weighted Average Overnight Interbank Rate (Overnight Rate) registered a return of +2.98% over the same period.

During the financial year under review, the Fund's exposure to money market investments decreased from 11.8% to 6.9% as funds were mobilised into equity investments. Based on an average exposure of 10.08%, the money market portfolio is estimated to have contributed +0.31% to the Fund's overall return for the financial year under review.

Stock Market Review

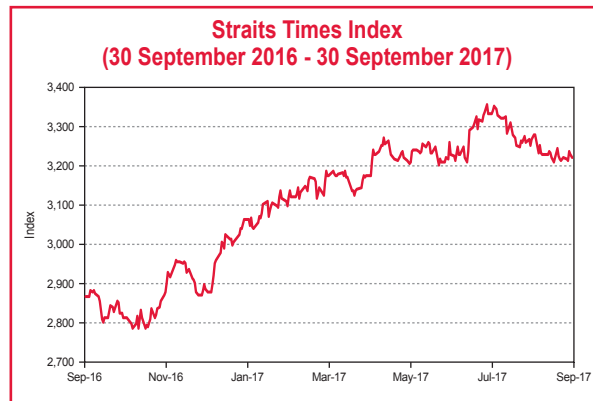
Commencing the financial year under review at 2,869.47 points, the Singapore Straits Times Index (FSSTI) traded range-bound in October 2016 before rallying towards the end of November post the U.S. presidential election on expectations of pro-growth policies initiated by the new president elect.

The FSSTI saw profit-taking activities in December but subsequently rebounded and broke above the psychological level of 3,000 points in mid-January 2017 amid positive sentiment arising from the new U.S. administration's pro-growth policies. The Singapore market continued its uptrend in February and March in tandem with record highs in the U.S. markets.

The Index took a breather in April and continued to trend higher in May as Singapore's 2017 GDP growth forecast was upgraded, underpinned by solid growth in the manufacturing sector amid increasing global demand for semiconductors. The market traded range-bound in June and subsequently moved higher in July as the Singapore property sector was re-rated on the back of improving new home sales.

The FSSTI trended lower in August and September due to profit-taking in banking stocks and closed at 3,219.91 points, registering a gain of 12.21% (+15.04% in Ringgit terms) for the financial year under review.

Manager's Report



The U.S. equity market, as proxied by the Standard & Poor's (S&P) 500 Index, commenced the financial year under review at 2,168.27 points. The market eased in mid-October 2016 following lacklustre corporate earnings results and remained flat through the end of the month amid mixed economic data.

The Index subsequently rose in November as the market rallied on expectations that the new U.S. president-elect would deliver on his pledges of fiscal stimulus and deregulation of the financial market. The Index continued to firm in December amid expectations of an improved U.S. economic outlook. During the month, the U.S. market was lifted by energy stocks from higher oil prices while financial stocks benefitted from an increase in U.S. Treasury yields.

The S&P 500 Index trended higher in January and February 2017 on optimism over the potential U.S. tax reform plan. The Index subsequently traded lower amid the setback on the new administration's healthcare plan in late March. The S&P 500 Index moved modestly higher in April and May on the back of strong U.S. corporate earnings and the market-friendly outcome of the French presidential election.

In June, the market rose further as weakness in technology stocks was outweighed by strong performances of banking stocks. The Index continued to surge in July and August amid better-than-expected U.S. corporate earnings and economic data, and traded higher in September as geopolitical tensions in the Korean peninsula eased. The S&P 500 Index closed at 2,519.36 points to register a gain of 16.19% (+18.64% in Ringgit terms) for the financial year under review.

Money Market Review

The Overnight Rate decreased from 2.99% to 2.90%, averaging at 2.99% during the financial year under review.

Manager's Report

Economic Review

Singapore's GDP growth expanded from 2.0% in 2016 to 2.7% in 1H 2017 due to higher output from the manufacturing and services sectors. Singapore's inflation rate turned positive at +0.6% in the first eight months of 2017 compared to -0.5% in 2016 amid higher transportation costs.

Singapore's exports expanded by 12.7% in the first eight months of 2017 compared to a contraction of 5.1% in 2016 on the back of higher exports of electronic and non-electronic products. Likewise, imports surged by 13.9% in the first eight months of 2017 after a 4.7% decline in 2016. The cumulative trade surplus widened to S\$43.9 billion for the first eight months of 2017 from S\$41.7 billion in the prior year.

Bank lending in Singapore increased by 6.8% in the first eight months of 2017 after registering a marginal growth of 0.5% in 2016. The overall loan-to-deposit ratio rose from 99.1% in 2016 to 101.3% in August 2017 as demand for loans increased at a faster pace than deposit growth over the same period. Nevertheless, the banking sector remained well-capitalised with an average core equity tier-1 ratio of 13.1% in 2Q 2017.

In the property sector, residential property prices rebounded in 3Q 2017 following the surprise easing of selected property cooling measures in March 2017. For 3Q 2017, overall residential property prices rose by 0.5% on a sequential basis and all segments saw positive growth for the first time since peaking in 3Q 2013, which was when the government introduced the total debt servicing ratio (TDSR) framework for mortgages.

After registering an increase of 7.7% in 2016, growth in tourist arrivals in Singapore moderated to 3.8% in July 2017 due mainly to lower visitor arrivals from Asia.

On the currency front, the Singapore Dollar firmed by 0.5% to S\$1.3574 against the U.S. Dollar for the financial year under review.

Led by higher investment spending and export growth, U.S. GDP growth rose from 1.5% in 2016 to 2.1% in 1H 2017. Investment spending increased by 2.5% in 1H 2017 compared to a contraction of 1.6% in 2016 due to higher investment in equipment. Meanwhile, exports expanded by 3.2% compared to a decline of 0.3% over the same period.

At the Federal Open Market Committee (FOMC) meeting in September 2017, the Federal Reserve maintained the Federal funds rate target range at 1.00%-1.25%. The central bank also stated that its balance sheet reduction plan would begin in October 2017.

Eurozone GDP growth gained pace from 1.8% in 2016 to 2.1% in 1H 2017 on the back of higher export growth. At its monetary policy meeting on 7 September 2017, the European Central Bank (ECB) kept its main refinancing and deposit rates at 0.00% and -0.40% respectively, while maintaining the monthly pace of bond-buying at €60 billion until end-December 2017.

Manager's Report

In a referendum held on 23 June 2016, British voters voted in favour of exiting the European Union (EU). The United Kingdom (UK) formally notified of its exit from the EU under Article 50 on 29 March 2017, which commences a 2-year process of trade negotiations with the EU.

Outlook and Investment Strategy

After trading on a mixed note in 1H 2016, global and regional markets strengthened in 2H 2016 amid an improved outlook for the U.S. and global economies. Global and regional equity markets continued to trend higher in the first nine months of 2017 on expectations that the global economy would grow at a resilient pace. Looking ahead, the performance of equity markets will depend on the economic growth momentum and market valuations of the U.S., Europe and the Asia Pacific region.

U.S. economic growth is projected to edge up from 2.2% in 2017 to 2.3% in 2018, driven by higher investment spending.

In the Eurozone, economic growth is envisaged to ease from 2.1% in 2017 to 1.8% in 2018 on expectations of slower export growth.

Singapore's GDP growth is estimated to edge down from 2.5% in 2017 to 2.4% in 2018 on expectations of moderating export growth. Singapore's economy is well-positioned to benefit from a recovery in the global economy given its strong linkages to international trade and finance activities. The relative stability of the Singapore Dollar compared to regional currencies would also underpin demand for Singapore's financial assets.

Singapore's inflation rate is projected to increase from 0.8% in 2017 to 1.2% in 2018.

In the property space, the government remains committed to launching new supplies of residential units under its Government Land Sales (GLS) tender program to provide affordable housing over the long run. The modest easing of property measures in March 2017 is in line with the government's policy to attract only genuine buyers while the existing measures should continue to limit price appreciation in the residential property market.

As at 30 September 2017, the Singapore market was trading at a projected price-to-earnings (P/E) ratio of 14.7x, which was above its long-term average P/E ratio of 14.3x. The Singapore equity market offered a gross dividend yield of about 3.3%.

Given the above factors, the Fund will continue to rebalance its investment portfolio accordingly with the objective of achieving capital growth over the medium to long-term period by investing in a portfolio of investments primarily in the Singapore market.

Notes: Q = Quarter
H = Half

Manager's Report

Policy on Soft Commissions

The management company may receive goods or services which include research materials, data and quotation services and investment related publications by way of soft commissions provided they are of demonstrable benefit to the Fund and unitholders.

During the financial year under review, PSGEF has received data and quotation services by way of soft commissions. These services were used to provide financial data on securities and price quotation information to the Fund Manager during the financial year under review.

Statement Of Assets And Liabilities

As at 30 September 2017

	2017 MYR'000	2016 MYR'000
Assets		
Investments	276,336	205,853
Due from brokers/financial institutions, net	-	261
Due from the Manager, net	59	-
Other receivables	145	300
Deposits with financial institutions	12,581	8,401
Cash at banks	7,685	19,541
	296,806	234,356
Liabilities		
Due to the Manager, net	-	932
Due to the Trustee	15	12
Other payables	71	70
Distribution payable	14,329	10,180
	14,415	11,194
Total net assets	282,391	223,162
Net asset value ("NAV") attributable to unitholders (Total equity)	282,391	223,162
Units in circulation (in '000)	955,243	814,425
NAV per unit, ex-distribution (in sen)	29.56	27.40

Statement Of Income And Expenditure

For the Financial Year Ended 30 September 2017

	2017 MYR'000	2016 MYR'000
Income		
Interest income	409	528
Dividend income	7,822	7,184
Net gain from investments	28,680	9,223
Net realised/unrealised foreign exchange gain/(loss)	762	(909)
	37,673	16,026
Less: Expenses		
Trustee's fee	172	146
Management fee	4,576	3,885
Audit fee	7	7
Tax agent's fee	3	3
Brokerage fee	913	770
Administrative fees and expenses	149	146
	5,820	4,957
Net income before taxation	31,853	11,069
Taxation	(94)	(86)
Net income after taxation	31,759	10,983
Net income after taxation is made up as follows:		
Realised	15,998	5,080
Unrealised	15,761	5,903
	31,759	10,983
Final distribution for the financial year	14,329	10,180

Statement Of Changes In Net Asset Value

For the Financial Year Ended 30 September 2017

	Unitholders' capital MYR'000	Retained earnings MYR'000	Total MYR'000
As at 1 October 2015	200,507	18,326	218,833
Creation of units	29,192	-	29,192
Cancellation of units	(25,666)	-	(25,666)
Net income after taxation	-	10,983	10,983
Distribution	-	(10,180)	(10,180)
As at 30 September 2016	204,033	19,129	223,162
As at 1 October 2016	204,033	19,129	223,162
Creation of units	54,124	-	54,124
Cancellation of units	(12,325)	-	(12,325)
Net income after taxation	-	31,759	31,759
Distribution	-	(14,329)	(14,329)
As at 30 September 2017	245,832	36,559	282,391

Statement Of Cash Flows

For the Financial Year Ended 30 September 2017

	2017 MYR'000	2016 MYR'000
Cash flows from operating activities		
Proceeds from sale of investments	123,387	113,367
Purchase of investments	(165,826)	(123,435)
Subscription of rights	-	(56)
Maturity of deposits	3,256,589	3,964,148
Placement of deposits	(3,260,769)	(3,958,212)
Interest income received	407	529
Net dividend income received	7,849	7,226
Trustee's fee paid	(169)	(146)
Management fee paid	(4,484)	(3,880)
Audit fee paid	(7)	(7)
Tax agent's fee paid	(3)	(3)
Payment of other fees and expenses	(148)	(139)
Net cash outflow from operating activities	(43,174)	(608)
Cash flows from financing activities		
Cash proceeds from units created	53,432	29,833
Cash paid on units cancelled	(12,716)	(25,087)
Distribution paid	(10,180)	(10,000)
Net cash inflow/(outflow) from financing activities	30,536	(5,254)
Net decrease in cash and cash equivalents	(12,638)	(5,862)
Effect of change in foreign exchange rates	782	(935)
Cash and cash equivalents at the beginning of the financial year	19,541	26,338
Cash and cash equivalents at the end of the financial year	7,685	19,541